



Fran and Joe Guerino of Yorkville Organics with their unique organic sprouted humus.

The Co-Op Advantage

PART II - AN INDEPENDENT GROCERY FINDS ITS WAY IN A RISING SEA OF MEGA CHAINS

STORY & PHOTOGRAPHY BY TRACY FRISCH

Take a traditional neighborhood grocery store beloved as a local institution. Add the cutthroat supermarket war playing out in the area. Then throw in changing community demographics shrinking its established customer base, and season with the influence of a popular year-round farmers market. Mix well with vision, leadership and a willingness to shake things up.

Necessity is propelling change at the Niskayuna Consumers Cooperative. Conveniently located on Nott Street at the corner of Balltown Road, the friendly, full service, conventional supermarket is a 69-year-old member-owned business that consciously cultivates connections with the community.

Summing up the challenge facing the long-lived independent store, coop board member Bill Shapiro said, "If the coop doesn't continue to innovate, it won't be around." The retired school psychologist, "born and bred" in Niskayuna, remembers his mother shopping at the coop when he was a boy.

One of the leaders behind the effort to strategically innovate has been Gautam Parthasarathy, a material scientist at General Electric Global Research Center who joined the all-volunteer board three years ago. As a "huge fan" of the coop, he said his involvement was motivated by his love of good food and a desire to make a contribution to the community he lives in. But he credits a late colleague named Israel Jacobs with spurring him and inspiring him with the story of GE scientist Louis Navais, who in the 1920s started a forerunner to the Niskayuna Coop in his basement.

AN INNOVATION AWARD AND WHAT MEMBERS FIND SPECIAL

In October the coop's willingness to creatively adapt to the changing market environment gained industry recognition when it received the 2012 Innovation Award for being "the retailer with the most unique approach." The award describes the store as "the complete marriage of old-school, local-grocer charm and the needs of today's consumer." C&S Wholesale Grocers, a major distributor supplying independent food stores and smaller chains (and also the nation's ninth largest privately owned corporation), bestowed the honor at its autumn regional gathering at the Sagamore.

Last year the Niskayuna Coop racked up \$10 million in sales, an exceptionally high figure for its 8,900 square foot retail area, according to coop management. Members - there are around 15,000 of them - join for life, or until they move away, with the purchase of a \$5 share. In turn they receive significant member discounts on about 50 different advertised specials each week.

But members value the coop as more than a good place to buy food. It's also an essential part of the fabric of local life. Gautam consider it to be a heart and soul for his suburban community and wants his eight-week-old son to experience it growing up.

Many customers appreciate shopping in a human scale store where they can know all the employees -- unlike most retail outlets, the workforce isn't transient -- and are likely to meet up with friends and acquaintances. You just don't find its congenial atmosphere

in an anonymous, cavernous big box store.

Operating in the same building it has occupied for decades, the coop recently realized that bigger might not be better, after briefly entertaining the idea of moving to expand, according to general manager Don Bisgrove.

After 37 years running the store, Don continues to be an enthusiastic advocate. When he was hired, the coop had been spiraling downward toward almost certain death for ten years, following the retirement of an effective manager, he said. Don had first worked at the coop as a bag and stock boy a half century ago, before going off to college degrees, and later management training and managing a department store at Stuyvesant Plaza.

REVITALIZING THE COOP WITH A RENOVATION AND FOODS THAT BROADEN ITS AUDIENCE

In late summer the Niskayuna Coop completed a half million-dollar renovation that makes the store more inviting. Gautam facilitated the project, serving as the liaison between the coop, architect and builder, a firm he said implements projects for the Golub family. The investment gave the coop a whole new roof and heating system, warm lighting, more attractive comfortable flooring, new siding and signage and other improvements.

But besides upgrading its physical space, the coop has embarked on a more difficult kind of transformation - cultural change. By aggressively adding a greater variety of local,



natural, organic and specialty foods to its offerings, the coop is working hard to enhance its appeal to younger families. In so doing, it hopes to revitalize the store for the future, while also compensating for the aging of its membership base.

The coop was formed in 1943 under World War II gas rationing so residents wouldn't have to drive to Schenectady to shop. The legacy of its post-Depression era origins make it strikingly different from most food coops in existence today. (Another of the rare survivors of that period of coop formation is the Hanover Coop, which has grown to three member supermarkets that sell mainstream items and local, organic and gourmet foodstuffs near the Vermont - New Hampshire border.)

The more typical coop organizations have been rooted in the natural, whole and

organic food movement from their very inception, whether as modest buying clubs in the 1970s or part of the more recent wave of coop startups. Given their founding mission, such coops often bring an intrinsic bias against things like artificial ingredients and excessive processing to their purchasing decisions. They're also prone to reject genetically engineered crops, and theoretically they favor organic, sustainably grown, local and artisan products. And many coops sell everything from rice to nuts out of bulk bins to cut down on packaging.

The Niskayuna Coop has none of this ideology. Instead it prides itself on being responsive to what shoppers want, delivering unique items and choosing quality. Increasingly these loose criteria fit well with farmers market-type foods like grass-fed beef, farmstead yogurt, local organic produce,

and artisan processed foods that the coop is pleased to discover. And customer interest seems to be confirming the wisdom of its new strategy.

SUPERMARKET COMPETITION DRIVES CHANGE

Just one year ago in October, Shop-Rite expanded its territory further up the Hudson Valley by putting a supermarket - the first of several in the area - at St. James Square, which is one block from the coop. Even Hannaford and Price Chopper took a hit, coop management told me. While some loyal coop members refused to set foot in Shop-Rite despite deep discounts the store used early on to woo patrons and the coop retained the vast majority of its business, the new competitor did take away enough sales to cause some pain.

For the coop, this new arrival felt like the



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opening shot in a new food store war breaking out in the Capital District. The anticipated onslaught of new stores ranges from a food-focused Wal-Mart in the Mohawk Mall to PriceChopper's flagship superstore to a Whole Foods coming to Colonie Center

"Every week it seems another market opens up. It's amazing there could be so many markets when the population isn't increasing," remarked Debbie LaMontagne, a self-described foodie and retired culinary educator who has been quite active on the board.

General manager Don Bisgrove underlines the magnitude of the impending threat with his calculations. He figures that the grocery sector is the process of adding another third of a million square feet of retail grocery space over what existed a mere two years ago.

As an independent store, the challenges ahead for the Niskayuna Coop are similar to what a local pharmacy contends when yet another CVS or Rite Aid sets up shop or a main street hardware store finds itself up against Lowes and Home Depot. The hometown business decided its best shot involves distinguishing itself from the pack of big box stores.

THE ALLURE OF LOCAL - A GOOD FIT FOR THE INDEPENDENT STORE

Shown around the store by the coop's director of marketing Ben Wallach, I sensed the excitement, sometimes even verging on giddiness, among department managers about the new local and specialty products they and their customers are embracing.

"We're pretty much game for anything - eggs, meat, dairy, grocery, produce," said Ben, who has been getting the word out about the new offerings on social media sites.

Don Bisgrove laid out a new role for the coop. "We want to be the incubator for the

vendors at the Schenectady Greenmarket." This approach also attracts farmers market goers to the coop.

In a little tutorial about how the coop is different, he explained that the chains routinely impose fees on vendors to get into their warehouses and slotting fees to get onto their shelves. They aren't going to let small-scale processors sell their products in their stores unless there's a big enough demand, he stressed.

The coop never charges its suppliers any fees. For producers who have been only selling their products at weekly farmers markets, it provides a good, low-risk opportunity to producers that want to ramp up their enterprises.

In its incubator role, the coop helps small-scale processors make the leap to effectively wholesale their products. For example, assistant manager Richard "Rit" Gabree said the coop helped Sandro Gerbini improve the packaging for Gatherers Granola for better shelf life and visibility and get his billing system in order. Since he got his granola into the coop, he has moved production from a Delmar bakery to a bigger and better plant of his own in Schenectady.

Puckers Pickles is another of various artisan products that customers may be familiar with from the Greenmarket at Proctor's. Jude Goldman, whose maternal grandparents used to take him to the Lower East Side, where he developed his taste for real pickles, makes them with his wife Kelley in Greenwich.

Given the price, Puckers' brisk sales surprised managers, but evidently people believe the quality is worth it. Gesturing at the empty spaces where more pickle jars should be, Ben said, "They blow out. We can't keep them on the shelf."

"I'm willing to pay \$10 a week for really

good pickles," Bill Shapiro said. He added happily, "The pickle guy said he's not selling to Shop-Rite."

Some local products, like Mu Mu Muesli, a locally made, organic upstart, are even outshining name brand breakfast cereals in coop sales. Mike and Lisa, who "roll it with love," as their packaging proclaims, were ready to graduate from farmers markets to bigger outlets when they approached the coop. It's been a win-win for both parties since the beginning.

Likewise Meesh's Marinara rapidly became the store's top-selling tomato sauce, even though it's only been on the shelf for a short time. Michelle Moricone started out vending her sauce at the Delmar farmers market, but with increased sales, partly thanks to the coop, she has been able to leave her career as a registered nurse. She now works out of a Green Island facility.

Early last spring I happened to be introduced to Gautam Partharasathy (and hear about the changes in the works for the coop) when he visited the Troy Farmers Market to find promising local foods to carry. One of the producers he recruited there was Marge Randles of the Argyle Cheese Farmer. Since then her yogurts in reusable, recyclable glass jars have become customer favorites among the coop's local yogurts. The coop sells her Greek yogurt, whole milk cream top yogurt, and a new single-serving hit called Sweet Greek. Marge also has a cooperative arrangement for delivering her products through another Washington County farm business, Battenkill Valley Creamery, which supplies milk from its farm to the coop.

While the Niskayuna Coop hasn't yet developed a sophisticated cheese section, it has begun selling a few local artisan cheeses, including Grace, an original washed rind cheese made by the Argyle



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Cheese Farmer, and handcrafted chevres in several flavors like Very Berry and Jalapeno Delight from Honeybee Farm in Cobleskill. Hickory Hill Smokehouse in Delanson also offers surprising options like smoked blue cheese.

On the Friday afternoon of my visit to the coop, I had the pleasure of sampling Yorkville Organics' one-of-a-kind organic sprouted humus from Fran Guerino, who said she did "exceptionally well" with the day's tasting. She and her husband Joe, who live outside Utica, came up with the tasty product, which comes in six flavors, some time ago when their whole family went on a raw foods diet for over a year to address some health problems.

Adirondack Brewery was there as well handing out several-ounce samples of its beers. The-microbrewery representative said they normally give out samples at beverage centers and bars, so the coop was a refreshing change

In addition to the many local products that the coop has only carried for a matter of months, it also stocks regional favorites like Perreca's breads and Oscar's Smokehouse meats from Warrensburg, which have

developed a good following at the store over many years.

THE INTRODUCTION OF LOCAL ORGANIC VEGETABLES AND PASTURED MEAT

Neither organic nor local are new concepts for the coop's produce department, but it was only with the addition of Slack Hollow Farm as a supplier earlier this year that the coop began to sell vegetables that are both. Slack Hollow has been an established mainstay in the Honest Weight produce department for many years.

Produce manager Jeannine Taft, a coop employee for over 30 years, brought in other local new farms this year as well, including a couple Schoharie County producers. The various farms seem to excel in different types of produce from colored peppers to lettuce mix. For apples and cider Knight Orchard has been an important part of the coop for decades. For conventional produce, there's also Feura Bush Farms, just south of Albany, whose specialties include sweet corn and berries throughout the season, and Herkimer Juliano Farms, whose vegetables come to the coop through a distributor.

At present the coop has only one local meat producer. Buckley Beef, a farm in Rensselaer

County, raises grass-fed beef of the Belted Galloway breed. Soon its meat, which is sold out of its own case, will be available fresh, rather than frozen.

With three full-time butchers and a few part-timers cutting and grinding meat on the premises and to order, the meat department is well regarded. Besides Buckley, the coop is fairly unique in being licensed to sell certified Hereford beef, a program that Don characterizes as stricter and more meaningful than certified Angus. However, apart from beef, its meats still come from the usual industrial sources, which produce neither local, hormone and antibiotic-free, nor pastured animals.

FLEXIBILITY AND RESPONSIVENESS TO SATISFY SHOPPERS' DESIRES

The coop has a long reputation for being responsive to shoppers' requests for items that chain stores are unwilling to stock. Frozen food manager Damian Verhagen adroitly juggles these demands.

"If you want a new product, I just bring it in. I have a lot of latitude. I brought in about ten new products in the last week," he said. If a product doesn't move, he marks it down and replaces it with something else.

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After a long career spent mainly in the employ of supermarket chains, Damian, who came to the coop almost nine years ago, said he is "very happy to be at this job." He appreciates having the authority to make decisions with "none of the bullshit of the corporate world." Judging from the longevity of many of the coop employees, it seems that others share his sentiment.

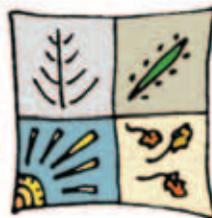
Leading me around his department, which definitely has more unusual products than a typical supermarket, including regional small-production ice creams and frozen vegetables from a Syracuse company, he stopped in front of a couple large display cases. They're packed with gluten-free breads, cookies, bagels, pizzas and even a line of vegan gluten-free soups.

Pointing to the popular line of Udi's gluten-free breads, he said, "This is something you don't want to run out of. I keep ten or twenty cases in the back," he said. For the growing group of people avoiding gluten or wheat in their diets, he tries to put several varieties of Udi's breads on sale every other week for \$3.99, down from the regular coop price of \$5.99.

The general manager applauds this sales strategy. "Where the chains give away Coke and Pepsi to get you in the store and charge half again what they should for gluten-free products, we try to lowball the prices of gluten-free products," Don said.

Communicating this care for the interests of the people who shop at the store and continued inquiry into what will draw in potential new members sounds like a good recipe for a thriving Niskayuna Coop well into the future.

The Niskayuna Co-op is located at 2227 Nott Street in Niskayuna, just west of the junction at Balltown Road (State Route 146), and online at niskayunacoop.com



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